

Message Text

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63

ORIGIN XMB-07

INFO OCT-01 ARA-16 EUR-25 ADP-00 AID-20 CIAE-00 COME-00

EB-11 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 OPIC-12

CIEP-02 LAB-06 SIL-01 OMB-01 L-03 /118 R

66611

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EB/IFD/ODF: EMLINTON

ARA/NC: TETAYLOR(SUBS)

----- 109734

R 171926Z JUL 73

FM SECSTATE WASHDC

TO AMEMBASSY BONN

AMEMBASSY BOGOTA

AMCONSUL FRANKFURT

USMISSION BERLIN

INFO AMCONSUL MUNICH

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EO11652: N/A

TAGS: ETRD, GW

SUBJ: FRG EXPORT CREDIT FOR COLOMBIA POWER PLANT

REF: BONN 09922

1. EXIMBANK WELL ACQUAINTED WITH SUBJECT POWER PLANT PROJECT FOR CORELCA, TO WHOM EXIM HAS ISSUED ITS PRELIMINARY COMMITMENT TO ASSIST IN FINANCING UP TO DOLS 27.4 MILLION U S GOODS AND SERVICES REQUIRED FOR THE PROJECT. FROM CORELCA AND HERMES EXIM HAS LEARNED THAT GERMAN FINANCING FOR SIEMENS BID WILL BE A BLEND OF CAPITAL ASSISTANCE LOAN AND SUPPLIER FINANCING SUPPORTED BY HERMES WITH EFFECTIVE REPAYMENT TERM OF AROUND 18 YEARS.

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IN AN EFFORT TO IMPROVE FINANCING PROPOSALS MADE WITH WESTING-

HOUSE AND GENERAL ELECTRIC BIDS EXIMBANK RECENTLY AMENDED TERMS OF ITS PRELIMINARY COMMITMENT TO PROVIDE FOR REPAYMENT OF US COSTS FINANCING IN 30 EQUAL SEMIANNUAL INSTALLMENTS COMMENCING NO LATER THAN NOVEMBER 30, 1976. THIS WAS A STRETCH FOR EXIMBANK FOR A THERMAL POWER PLANT AND TOOK INTO CONSIDERATION A NUMBER OF FACTORS, INCLUDING FINANCIAL FORECASTS OF CORELCA, EXIMBANK'S PREVIOUS PROJECT CREDIT EXPERIENCE WITH CORELCA, AND THE STRONG SUPPORT OF THE EMBASSY IN BOGOTA FOR A COMMITMENT OF A LONGER REPAYMENT TERM.

2. IN EXIMABANK'S VIEW THE USE OF CONCESSIONARY TERMS FOR FINANCING A THERMAL POWER PLANT FOR COLOMBIA AGGRAVATES EXIM'S EFFORTS TO SUPPORT U S SUPPLIES ON NORMAL COMMERCIAL TERMS WHICH ARE APPROPRIATE TO THE TRANSACTION. RUSH

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Message Attributes

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Disposition Authority: garlanwa
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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30 JUN 2005

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